EXHIBIT G



United Voices



United Egg Producers Gene Gregory - Editor

March 25, 2002



CERTIFIED COMPANIES

The following egg production companies have filed an "Application For Certification" with UEP and have therefore committed to implementing Animal Husbandry Guidelines. By this commitment, these companies will begin to phase-in the cage space allowance with chicks hatched after April 1, 2002 and phase-in the guidelines for beak trimming, molting, handling & transportation starting on July 1, 2002.

Provisional certification numbers are now being assigned for each company in the order by which the applications were received. These companies will be authorized to trade eggs using the provisional certification number until an audit has been conducted at which time a fully certified status will be achieved. The list shown below is in the order by which applications were received by the UEP office.

- - Wilcox Farms
 - 2. Midwest Poultry Service
 - 3. Cal-Maine Foods
 - 4. Creighton Brothers
 - 5. ISE Newberry
 - Mahard Egg Farms
 - 7. Lumber City Egg Marketers
 - 8. Glenwood Foods
 - 9. Braswell Egg Co.
 - 10. Simpson's Eggs
 - 11. Daylay Egg Farm

 - 12. United Egg Marketers
 - 13. Crystal Farms
 - 14. Kreher's Poultry Farm
 - 15. Zephyt Egg Co.
 - 16. Kofkoff Egg Farm
 - 17. Southern New England Eggs
 - 18. The Egg & I Farm
 - 19. ISE America
 - 20. Wegmans
 - 21. R.W. Sauder
 - 22. Radlo Bros.
 - 23. LaValle Egg Farms
 - 24. Elmer King Farm
 - 25. Sperry Farms
 - 26. Creekwood Farms
 - 27. Edelweiss Farms
 - 28. Dynes Farms
 - 29. Morning Fresh Farms
 - 30. Sparboe Companies

- 31. J.S. West Milling .
- 32. Maxim Production
- 33. Norco Ranch
- 34. McAnally Enterprises
- 35. Sunrise Farms of California
- 36. Valley Fresh Foods
- 37. North Alabama Egg Co.
- 38. Red Bird Egg Farms
- 39. Olson Farms
- 40. Herbruck's Poultry Ranch
- 41. Schipper Poultry
- 42. Oakdell Egg Farms
- 43. Active Feed Co.
- 44. Delta Egg Farm
- 45. Sunbest Foods of Iowa
- Grand Mesa Eggs
- 47. Moark Productions
- 48. Gemperle Enterprises
- 49. Freitas Fresh Egg
- 50. Karl Jensen & Sons
- 51. Gervase Farms
- 52. Wilfie Farms 53. Yankee Farm
- 54. Su's Chicken Farm
- 55. Garber Poultry Farm
- 56. Baer Brothers



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AUDIT FORM & PROCEDURE BEING FINALIZED

UEP's Producer Committee for Animal Welfare is meeting in Chicago on March 26th to address comments and concerns that arose during the series of recently held area meetings. The agenda will include the following items, which will be communicated to the membership once decisions are made:

- 1. Finalize the Animal Husbandry Audit Form and audit procedures.
- 2. Begin the process of selecting firms, individuals or associations that will be authorized by UEP to conduct audits.
- 3. Clarify the status of a "Certified Company".
- 4. What must a company do to catch-up if they miss the April 1st starting date?
- 5. What will be used as grower house mortality for arriving at the number of hens to be housed?
- 6. Establishment of a method by which eggs from "certified companies" can be traded.

YOU SHOULD IMPLEMENT GUIDELINES An Editorial by: Gene Gregory

While most producers were aware of UEP working with both a Scientific and Producer Committee to develop Animal Husbandry Guidelines, they couldn't anticipate when they would ever have to implement such guidelines. Many producers are still waiting to hear from their customers before they initiate any changes. This is a natural reaction because why incur additional costs if your customer doesn't demand changes. You must, however, ask yourself this question, "does my egg buyer make corporate decisions on such matters or is this decision being made at the highest company levels", we believe you know the answer.

Food Marketing Institute (FMI) and the National Council of Chain Restaurants (NCCR) are expected to make a public announcement including press coverage in June of this year. Soon thereafter they will encourage their members (which represents nearly all sizes of grocery stores and restaurants) to discuss with their suppliers the need to implement Animal Husbandry Guidelines. They are further expected to require that an annual audit be conducted to confirm that the supplier is meeting the guidelines.

So if FMI and NCCR do make the June announcement, it could be anticipated that the trickle down effect will begin and your egg buyer will be far more interested in eggs produced from farms meeting Animal Husbandry Guidelines.

UEP has been trying to develop a set of guidelines based upon science that can be acceptable to both the Marketplace and Government. We believe we have done just that and that FMI and NCCR will endorse the UEP Guidelines. Remember that UEP's Guidelines were written for all egg production facilities, not just those dedicated to the shell egg market. While the major grocery retailers and major restaurant chains are the focus of the animal rights groups at this time, we believe this issue will spread very rapidly to all markets once FMI and NCCR have made an announcement.

We have demonstrated to FMI and NCCR that it is imperative that we create a level playing field for both UEP members and the members of FMI and NCCR. To do otherwise would create severe market disruption and much higher costs. This leads us to the concept of using existing cage equipment and basing our phase-in of the cage space allowance on a "house average" concept. The phase-in period also allows for time to construct new facilities that will be needed to replace the demand in the marketplace. As we reduce the flock size, hopefully profits will be realized, which can be reinvested in this new construction.

UEP's Board gave the Industry an opportunity to access how committed FMI – NCCR or the Grocery Manufacturers of America or the National Restaurant Association may be. In doing so they have asked the industry to commit to implementing the guidelines on 100% of their production until October of this year. At that time the Board will review this commitment and determine if the marketplace is committed.

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So you ask how will I recover my cost? A special committee has been established for the purpose of developing a price discovery system that will allow eggs from certified companies to be traded and for the market reporter to publish a separate quote for certified eggs.

There, however, is another way to recover the cost. Some may think of this as only a supply adjustment program and those that implement the guidelines will realize an increased cost while those that stand on the sideline will benefit equally. So let's just review the costs of the first step of the phase-in plan. Remember that this step calls for chicks hatched after April 1st, 2002 and before October 1, 2003 to place those pullets in the layer house at a "house average" of 56 inches per hen.

While I'm no economist and therefore look at things in a simple manner, here is an example to consider. A producer with 100,000 layers housed at 53.3 square inches per hen would reduce their flock by 4,800 hens. If this producer currently had a 40-cent cost of production, the cost would increase to 42-cents per dozen. What about a complex of multiple houses? An example could be for a complex of 10 - 100,000 size houses that might only have three (3) houses come due on the schedule for reduction between now and October of this year. If this was true, their costs would only increase to 40.57 cents per dozen.

If all the Industry were to follow the guidelines through the first step this would result in a flock size reduction of 13 million hens. Place your own estimate on how much the egg market will rise if even half this reduction were to occur. So the payback for making this first step to a "house average" of 56 square inches is tremendous.

Sure the phase-in will eventually reach a space allowance for existing houses at a "house average" of 67 inches. When this finally occurs in the fall of 2008, and using the same theory as above, the cost of production will have risen by 10 cents per dozen. This of course doesn't take into consideration the increased costs of administration and processing costs.

So you are producing eggs for egg breaking and the products market. If your yield is 38 pounds per case and the cost of producing shell eggs is 40 cents per dozen then the cost of unpasteurized liquid product is 31.5 cents per pound. Using the example of a complex of 1 million birds that implements the first step over the period of April through October 2002 and your shell egg production costs increases to 40.5 cents per dozen would result in a 4/10 cent per pound increased product cost. Again, using the 10-cent increased costs once all phases of the plan have been implemented would add a cost of 7.9 cents per pound of product.

So in conclusion, it is my recommendation that the industry implement this first phase-in step and once we know the commitment of the marketplace we will make more long term plans. So if you are still waiting to sign and return the <u>Application for Certification</u> to UEP, do so now. It is in your best interest.

UEP LEGISLATIVE MEETING

There is no better way to communicate your personal or business positions on legislative or regulatory issues than a visit to your Congressional office in Washington, D.C. UEP's Spring Legislative Meeting provides you with the opportunity to delivery position papers on key issues along with two-dozen eggs to your Congressman's office. Believe it or not – this makes a major impression and is extremely helpful to your UEP Washington Staff.

Mark your calendar for May 13-16 and plan to be a part of the large attendance of egg producers making this once again a major event for the Egg Industry. If you have not already made reservations please do so as soon as possible. A registration form, agenda, and list of invited speakers are enclosed.

UEA ALLIED TO HOLD ANNUAL MEETING

UEA Allied Chairman, Terry Pollard is inviting all UEA Allied members to participate in UEP's Spring Legislative Meeting. Additionally, Pollard has scheduled the UEA Allied annual meeting for 1:00 – 3:00 PM on Wednesday May 15th at the Washington Court Hotel in Washington, D.C. Please return the enclosed registration form as quickly as possible.

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PLAN TO BALANCE SUPPLY WITH DEMAND

There has been a nice upward movement in market prices and the Easter market period will be profitable. Most regions have seen large prices improve 25 cents or more over the past few weeks. Can this be sustained? Historically, summer months have been the low egg market period of the year and this year will very likely be no different unless changes begin to take place.

UEP's Production Planning Calendar places the 10-year average supply demand index at 84% during the weeks of April – July, so this is a good time to reduce supply because the demand will be less than other periods of the year.

UEP's Marketing Committee has recommended a <u>voluntary</u> plan that will help improve the balance of supply demand during the April – July period. The plan calls for:

- 1. All flocks 62 weeks or older be placed into a molt starting April 1st and continuing through July 1st.
- 2. Dispose of spent hens 4 weeks earlier than the normal schedule starting April 1st and continuing through July 1st.

NEWS FROM USDA-AMS

California Eggs: Effective March 18, a price recommended by the California Egg Marketing Association (CEMA) and other marketers in the State will replace the California Invoice prices. These new prices will reflect the recommended price for negotiated sales of USDA Grade AA and Grade AA in cartons, cents per dozen. The price will not reflect any discounts or other contract terms. The change is being made to more fully involve CEMA and the other marketers in California in setting a benchmark price for eggs in the state.

EGGS PROCESSED UNDER FEDERAL INSPECTION

USDA reports the number of eggs broken through week ending March 9th to be 11.2 million cases as compared to 10.9 million at the same date a year earlier.

ANIMAL WELFARE RALLY

New Jersey will be the venue for a rally among people opposed to "factory farming" by national animal rights groups on April 7 and 8. Led by Farm Sanctuary, the rally in Trenton is an outgrowth of a pressure campaign to force the New Jersey Department of Agriculture to produce meaningful humane standards for farm animals.

FOR SALE

Approximately 100,000 used Phillips plastic flats. Mostly, natural color, a few orange. All in moderate shape. If interested, call Linda at the UEP-Iowa office (563) 285-9100.

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